

MORRISON PUBLIC AFFAIRS GROUP

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**Bruce A. Morrison, Chairman
Member of Congress, 1983-1991
Chairman, Federal Housing
Finance Board, 1995-2000**

FOR THE RECORD

To: House Committee on Ways and Means, Subcommittee on Oversight
Re: Submission for the record of June 19 Hearing on Stimulus Rebate Package

ReformtheRebate.com is a coalition organized to change the tax rebate rules that discriminate against legal immigrants. We believe that Congress over-reached when US citizens and legal immigrants whose spouses or children are not "illegal" but who do not have Social Security Numbers due to SSA policies were barred from the stimulus rebate if they file jointly, as married taxpayers are authorized to do. We urge the Congress to extend to such civilian families the same consideration that was recently applied to military families, and for the same reasons: those who obey immigration law should not be penalized in the name of fighting illegal immigration.

If this cannot be accomplished, the legal spouse should be able to receive the rebate without losing the benefit of joint filing this year and in the future as the price of getting a rebate.

We suggest the following questions:

1) The IRS has never been put into the position of enforcing immigration law. To avoid requiring the IRS to determine that a spouse is here legally without a Social Security Number, Congress has directed that when someone in the military files a joint return with a valid SSN, the couple is eligible for the stimulus rebate.

Isn't that the fair way to treat civilian couples, as well?

2) If the Congress directed the IRS to determine the immigration status of a spouse who does not have a SSN when there is a joint return where the other spouse has a valid SSN, would that impose a substantial administrative burden on the IRS?

3) Whether or not someone is working here legally, the law requires that they pay taxes on their income. Because many, if not most illegal workers have taxes withheld by their employers, the IRS acknowledges that illegal workers who file returns receive refunds based on their withholding just like anyone else.

Does the IRS have an estimate for the total amount of taxes that are refunded on returns with no SSN or an invalid SSNs each year?

4) Does the IRS accept tax returns without a SSN or ITIN? If so, are refunds paid if due on such returns? What if more than one return uses a single SSN? How are payments and refunds processed? Isn't it true that sometimes taxpayers receive deficiency notices due to other individuals' earning wages on their account which are reported on W-2s?

5) Does the IRS verify the validity of an SSN before processing a return? Does the IRS identify duplicate filings on a single SSN? How does the IRS sort out

the situations of multiple W-2s on a single SSN when some may reflect multiple jobs and others may reflect identity theft?

6) There are many thousands of cases, beyond the military, where a US citizen or legal permanent resident is married and files jointly with a spouse without an SSN. Does the IRS have an estimate for the total amount of the stimulus rebates these families would be eligible for if the Congress applied the same fair standard as to the military?

7) The IRS has a difficult job to do in the best of times. Were Congress to clarify the intent of the stimulus package to be fair to the US citizens and legal permanent residents married to those who lawfully file joint returns with only one SSN, would a credit on next year's taxes equal to the amount of the stimulus rebate be the most efficient use of IRS resources in correcting this unfair and unintended slap at legal immigrants?